



Ex. 19

U.S. Department of Housing and Urban Development
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August 26, 2004

MEMORANDUM FOR: Edward De Paula, Director, Office of Public Housing

ATTENTION: Gabriella Hargrove
FROM: *John Fong Sun, Chief Counsel*
SUBJECT: Newark Housing Authority ("NHA")
Turnkey Developer's Proposal - Tony Gomes Construction Co.
Project No. NJ39-P002-049

We have reviewed the documentation submitted by NHA in connection with the above referenced project. Tony Gomes Construction Co., Inc. ("TGCC") has submitted a proposal to construct 88 townhouse units and a community center on property which, according to the introductory paragraph of the Developers Packet, is owned by NHA. Prior to construction, NHA has advised that it will convey the property to TGCC for the sum of \$138,000.00. The parties will execute a Turnkey Contract of Sale under which NHA will purchase the completed project from TGCC.

PHA Authorization for the Development

NHA Resolution No. H-04-01-22-08, dated January 22, 2004, authorized that a contract to develop 88 units of townhouses by the Turnkey Method be awarded to Tony Gomes Construction Co., Inc. at a cost of \$14,055,000.00. The resolution also authorized the submission of a PHA Proposal, in connection therewith, to HUD. We note that the resolution does not refer to the acquisition of the property by TGCC for the sum of \$138,000.

Site Information/Site Control

The project will consist of 88 townhouses and a community center and will be constructed in 3 phases over 4 site locations. The townhouses will be constructed during Phases II & III and will be comprised of 18 1-bedroom units, 35 2-bedroom units and 35 3-bedroom units. Phase I will be the construction of the community center.

Site Locations

Site 1: 46 units and the community center

Site 2: 13 units

293-301 Jolliff St, 238 -246 Deshine Ave., 227 -241 W. Bigelow St. (Bl 2690)

Site 3: 16 units

273-289 Jelliff Ave. & 220-230 Peshine Ave. (Bl 2690)

Site 4: 13 units

452-468 Clinton Ave., 189 -210 Deshine St., 648-654 Hunterdon St. (Bl 2689)

Although the submission states that NHA presently owns the parcels to be developed, no documentation evidencing site control/ownership has been submitted. We will need to review the evidence of site control such as a Contract of Sale or an Option to Purchase. If NHA already does in fact own the parcels, we will want to review title commitments and/or title reports.

Site Surveys

Although a set of architect drawings were submitted, surveys for the parcels by a licensed New Jersey surveyor will need to be submitted and reviewed in conjunction with the legal descriptions contained in the title documents.

Zoning

Chapter 6-25(i) of Handbook 7417.1 REV #1, requires that NHA submit a statement as to the adequacy of the current zoning for the proposed project. NHA submitted a letter dated January 22, 2003 from TGCC which is unacceptable. We will require a letter from the city's zoning office addressing the zoning for all four sites rather than a letter from the developer itself.

PHA Advertisement of Turnkey Proposals

A copy of the Request For Turnkey Proposal For 88 Townhouse Units was contained in the Developer's Packet. Pursuant to Chapter 6-42 of the Handbook, a Certification of Review by Joseph S. Bianco, Director of Redevelopment for NHA.

*dated April 15, 2004 was submitted indicating that the content and price of the proposal is acceptable.

Conclusion

In conclusion, we expect that NHA and its counsel will supplement or revise the documentation for items discussed above.

We anticipate that your office will have reviewed all applicable program requirements, including but not limited to environmental issues, site and neighborhood standards, flood zone issues, maximum development cost, design & construction standards, and displacements, relocation & acquisition. Certain documentation is not yet available to be reviewed given the incipient stage of the project but should be forwarded for review at a later date.

Please contact James M. Lubin at Extension 3164 should you have any questions.

file: NHA Tony Gomes
Acc. 04-430